

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

_____)	
UNITED STATES OF AMERICA)	CRIMINAL CASE NO. 04-10031-WGY
)	
v.)	
)	
JAMES REID)	
_____)	

GOVERNMENT'S FURTHER SUBMISSION RE:
MOTION FOR REVOCATION OF CONDITIONS OF RELEASE
AND MOTION FOR DETENTION

The Government moved this Court on December 1, 2005, for an Order revoking conditions of release set by this Court on May 6, 2004, and for an Order that the defendant be detained pending trial or other disposition of the present prosecution.

In further support of its motion(s) the Government submits the following:

- A. On April 27, 2004, the United States Securities and Exchange Commission ("SEC") filed a civil fraud action against the defendant. See Attachment 1 (SEC Amended Complaint).
- B. On April 28, 2004, the defendant was served by Summons in the civil fraud action. See Attachment 2 (Summons, Return of Service and Affidavit of Service).
- C. The defendant failed to plead or otherwise respond in the civil fraud action.

- D. On December 3, 2004, the SEC obtained a Final Judgment By Default in the civil fraud action. See Attachment 3 (Final Judgment entered by District Judge Tauro).
- E. In addition to permanently enjoining the defendant from activities relating to securities laws, the Final Judgment Ordered the defendant to disgorge \$263,641.39 by payment to the Clerk of the Court for the District of Massachusetts within ten (10) business days. See Attachment 3 at Section VIII.
- F. The defendant has failed to deliver any funds as Ordered by the U.S. District Court for the District of Massachusetts.¹ The defendant is thereby potentially subject to proceedings for contempt of court and is subject to collection proceedings by the SEC.

Respectfully submitted this 2nd day of December, 2005.

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¹ Verified by Chris Karjil, Financial Administrator, Office of the Clerk of District Court.